growth in public debt through a policy of fiscal rectitude, recourse to sources of lower cost borrowings, debt restructuring measures, pursuing appropriate tax policies that result in higher tax: GDP ratio, in order to facilitate the process of fiscal consolidation.

Proposal to raise home loan ceiling

4234. MS. SUSHILATIRIYA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government proposes to raise the home loan ceiling;

(b) if so, the details thereof;

(c) whether Government has also lately felt that the present ceiling is not enough; and

(d) if so, the details thereof?

THE MINISTER Or STATE IN THE MINISTRY OF FINANCE (SHRI PA WAN KUMAR BANSAL): (a) to (d) The Government does not prescribe any ceiling on home loans.'However, according to the RBI guidelines, there is a limit on loans for housing at Rs. 20 lakh for priority sector lending. Furthermore, the Government of India had formulated a scheme known as the Differential Rate of Interest (DRI) Scheme in March 1972 for extending financial assistance at concessional rate of interest at 4 per cent to selected low income groups .

At the behest of the Government the limit of housing loan under the DRI Scheme was raised from Rs. 5000/- to Rs. 20,000/- per beneficiary *w.e.f.* June 13, 2007 by the RBI.

Proposal for new Taxes

4235. SHRIMATI HEM A MALINI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government is considering to introduce new taxes in Budget 2008-09 which will burden aam admi especially the salaried class;

(b) whether Government will keep in mind the prices of essential items have almost doubled before introducing new taxes; and

(c) if so, how Government proposes to react to the above situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALAN1MANICKAM): (a) to (c) The Union Budget 2008-09, has rationalized the personal income-tax rate structure to provide substantial relief to the aam admi, especially the salaried class. The tax relief so provided will, to a large extent, provide protection against rising prices to such tax-payers. Further, there is no proposal to introduce any new taxes which will burden such persons.

Investor-Friendly Environment

4236. SHRI GIREESH KUMAR SANGHI: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government has blamed the State Governments for not providing an investor-friendly environment to private companies like ITC and Bharati Enterprises;

(b) whether India has framed a clear roadmap to boost private investment and strengthen rural areas but some State Governments have not been very supportive in providing investor-

friendly environment to private companies;

(c) if so, the steps proposed to take in this regard; and

(d) to what extent States have agreed to the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) The information is being collected and will be laid on the Table of the House.

Norms for channelising international funds to States

†4237. SHRIBANWARILALKANCHHAL: Will the Minister of FINANCE be pleased to state:

(a) the norms followed by Central Government for channelising the financial assistance provided to States by international agencies; and

(b) whether the Central Government has taken any decision to channelise this assistance to States on those conditions at which this assistance has been provided by the international financial institutions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Union Government receives the foreign loan assistance as per the standard terms and conditions of the development partners and till 31st March 2005, it was being released to the State Government by the Union Government as Additional Central Assistance (ACA) in the grant/loan ratio of 90:10 for Special Category States and 30:70 for non Special Category States. Government of India has accepted the recommendation of the Twelfth Finance Commission to pass on external assistance on the same terms and conditions on which it was received. The service cost and exchange fluctuations would also be passed on to the States under this arrangement. Accordingly, in the case of new Projects signed on or after April 1,2005, the external assistance is passed on to the States on 'back to back, basis. In the case of Special Category States, the old arrangement of transfer of external assistance as ACA in the grant and loan ratio of 90:10 still continuous.

Proposal for diverting excess forex reserve

4238. DR. E.M. SUDARSANA NATCHIAPPAN: Will the Minister of FINANCE be pleased to state:

(a) whether India's forex reserve stood at $ 309.16 billion for the week ending March 28; and

(b) if so, whether Government has any proposal to divert a part of excess reserves for higher return from riskier assets and investing in the co-operative banks for their uplifting and farmers for better financial liquidity to develop the farming sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes Sir. The foreign exchange reserves of the country (including Gold, special Drawing Rights and Reserve Tranche Position in the IMF) stood at US $ 309.16 billion as on March 28, 2008.

† Original notice of the question was received in Hindi.